



Montana Environmental Trust Group LLC,  
Trustee of the Montana Environmental Custodial Trust  
By Greenfield Environmental Trust Group, Inc., Member  
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August 21, 2018

**By Electronic Mail**

**For the State of Montana**

Jenny Chambers/ Russ Rowsey  
Montana Department of Environmental Quality

Harley Harris/Greg Mullen/ Katherine Hausrath  
Montana Department of Justice

**For the United States**

Alan Tenenbaum/Bob Brook  
Environmental Enforcement Section Environment &  
Natural Resources Div. U. S. Department of Justice

Steve Moores  
Senior Attorney US EPA Region 8 (ENF-L)

Suzanne Bohan  
Assistant Regional Administrator  
US EPA Region 8—Montana Office

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Department of the Interior Office of the Solicitor

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Department of the Interior Environmental  
Restoration Branch Division of Parks and Wildlife  
Office of the Solicitor

Martin Hestmark  
Assistant Regional Administrator  
US EPA Region 8—Montana Office

Robert Kirkpatrick  
Deputy Director, Engineering, Fleet, Geospatial  
Services & Sustainable Operations USDA Forest  
Service

**Subject: Second Quarter 2018 Financial Statements**

As Trustee for the Montana Environmental Custodial Trust (the Custodial Trust), Montana Environmental Trust Group LLC, hereby submits the attached financial statements for the following Custodial Trust Accounts to the beneficiaries of the Custodial Trust:

- (1) The Custodial Trust Administrative Account;
- (2) The East Helena Cleanup Account;
- (3) The Mike Horse/Upper Blackfoot Mining Complex Cleanup Account;
- (4) The Black Pine Cleanup Account; and
- (5) The Iron Mountain Cleanup Account

The attached financial statements cover the quarter and calendar year to date (YTD) ending June 30, 2018 and are submitted pursuant to the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites).

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August 21, 2018  
Second Quarter 2018 Financial Statements

Please do not hesitate to contact me or Cindy Brooks with any questions pertaining to the attached.

Sincerely,

Montana Environmental Trust Group, LLC  
Trustee of the Montana Environmental Custodial Trust  
By: Greenfield Environmental Trust Group, Inc., Member



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Name: Jennifer Roberts  
Title: Director of Financial Affairs

Enclosure

cc: Betsy Burns—EPA-8  
Cynthia Brooks—Greenfield  
Daryl Reed – MDEQ  
Denise Martin – MDEQ  
Joe Vranka—EPA-8  
Joel Chavez – MDEQ  
Lauri Gorton—Greenfield  
Marc Weinreich—Greenfield  
Robert Roll – MDEQ



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## Accountant's Compilation Report

To the Trustees and Beneficiaries  
Montana Environmental Trust Group LLC  
Trustee for the Montana Environmental Custodial Trust  
Helena, MT

The Trustees are responsible for the accompanying special purpose financial statements of; the Custodial Trust Administrative Account, the East Helena Cleanup Account, the Mike Horse/Upper Blackfoot Complex Cleanup Account, the Black Pine Cleanup Account and the Iron Mountain Cleanup Account (collectively the Custodial Trust), which comprise the statement of financial position as of June 30, 2018 and the related statements of activities for the quarter and calendar year to date (YTD) then ending and for determining that the special purpose basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the trustees. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the special purpose basis of accounting in accordance with the requirements of the Trust's obligations under ¶6.1 of the Environmental Response Trust Agreement, which is a basis of accounting other than accounting principles generally accepted in the United States.

Management has elected to omit substantially all the disclosures ordinarily included in special purpose financial statements prepared in accordance with the prescribed format basis of accounting. If the omitted disclosures were included in the special purpose financial statements, they might influence the user's conclusions about the Trust's assets, liabilities, net assets, additions, and deductions. Accordingly, the special purpose financial statements are not designed for those who are not informed about such matters.

### Supplementary Information

The Black Pine Mine Custodial Trust Expense Tracking supplementary information is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. This information is the representation of the trustees. The information was subject to our compilation engagements; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Montana Environmental Trust Group LLC.

*Wipfli LLP*

Wipfli LLP  
August 21, 2018  
Helena, MT

**Montana Environmental Custodial Trust**  
**Custodial Trust Administrative Account**

STATEMENT OF FINANCIAL POSITION

*As of June 30, 2018*

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ASSETS

Current assets

Cash

\$ 194,086.00

Due from other cost centers

41,151.67

Total current assets

235,237.67

Investments

5,436,879.86

Total assets

\$ 5,672,117.53

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable

\$ 142,928.70

142,928.70

Net assets

5,529,188.83

Total net assets and liabilities

\$ 5,672,117.53

**Montana Environmental Custodial Trust**  
**Custodial Trust Administrative Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year to date ending June 30, 2018*

	2nd Qtr	YTD Ending 6/30/18	Approved Budget	Variance	Percentage of Budget
Revenues:					
Investment income, net of fees	\$ 23,005.08	\$ 47,047.90			
Unrealized gains (losses)	(7,665.35)	(46,913.43)			
Deposit proceeds received for property sale	10,000.00	10,000.00			
Total revenues (losses)	25,339.73	10,134.47			
Expenses:					
1.A Financial Affairs					
1.A.1 Outside Financial Services	7,523.25	14,093.05	\$ 33,000.00	\$ (18,906.95)	42.71%
1.A.2 Audit	16,938.00	60,625.50	90,075.00	(29,449.50)	67.31%
1.A Financial Affairs Total	24,461.25	74,718.55	123,075.00	(48,356.45)	60.71%
1.C Property Taxes					
1.C.1 East Helena	15,848.94	15,848.94	105,200.00	(89,351.06)	15.07%
1.C.2 UBMC-Mike Horse	2,189.65	2,189.65	5,363.00	(3,173.35)	40.83%
1.C.3 Black Pine	1,245.98	1,245.98	5,475.00	(4,229.02)	22.76%
1.C.4 Iron Mountain	146.11	146.11	400.00	(253.89)	36.53%
1.C Property Taxes Total	19,430.68	19,430.68	116,438.00	(97,007.32)	16.69%
1.F Site Security					
1.F.1 East Helena	4,660.37	8,867.87	47,650.00	(38,782.13)	18.61%
1.F.2 UBMC-Mike Horse	37.00	37.00	9,400.00	(9,363.00)	0.39%
1.F.3 Black Pine	4,778.04	9,984.17	20,079.00	(10,094.83)	49.72%
1.F.4 Iron Mountain	-	-	1,400.00	(1,400.00)	0.00%
1.F Site Security Total	9,475.41	18,889.04	78,529.00	(59,639.96)	24.05%
1.G Insurance					
1.G.1 Commercial General Liability	-	46,237.50	54,000.00	(7,762.50)	85.63%
1.G.2 Vehicle-Equipment Insurance	-	-	9,000.00	(9,000.00)	0.00%
1.G.3 Property Insurance	-	15,288.34	19,000.00	(3,711.66)	80.46%

**Montana Environmental Custodial Trust**  
**Custodial Trust Administrative Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year to date ending June 30, 2018*

	2nd Qtr	YTD Ending 6/30/18	Approved Budget	Variance	Percentage of Budget
1.G Insurance Total	-	61,525.84	82,000.00	(20,474.16)	75.03%
1.H Trust Legal Affairs					
1.H.1 Outside Council	2,784.00	2,784.00	3,500.00	(716.00)	79.54%
1.H.3 GETG Professional Fees	6,340.00	11,017.50	21,500.00	(10,482.50)	51.24%
1.H.4 Water Rights	842.67	1,735.67	21,800.00	(20,064.33)	7.96%
1.H Trust Legal Affairs Total	9,966.67	15,537.17	46,800.00	(31,262.83)	33.20%
1.I Unpatented Mining Claims					
1.I.1 Fees for Unpatented Mining Claims	-	-	55,000.00	(55,000.00)	0.00%
1.K Property Sales					
1.K.1 East Helena	51,327.50	83,658.75	207,752.00	(124,093.25)	40.27%
1.K.2 UBMC-Mike Horse	-	-	1,700.00	(1,700.00)	0.00%
1.K.4 Iron Mountain	-	-	1,700.00	(1,700.00)	0.00%
1.K Property Sales Total	51,327.50	83,658.75	211,152.00	(127,493.25)	39.62%
1.L Trustee Costs					
1.L.1 Trustee Fees	4,601.00	8,168.50	26,700.00	(18,531.50)	30.59%
1.L.2 Trustee Expenses	-	-	1,500.00	(1,500.00)	0.00%
1.L Trustee Costs Total	4,601.00	8,168.50	28,200.00	(20,031.50)	28.97%
Total expenses	119,262.51	281,928.53	741,194.00	\$ (459,265.47)	38.04%
Change in net assets	(93,922.78)	(271,794.06)	\$ (741,194.00)		
Net assets, beginning of period	5,623,111.61	5,800,982.89			
Net assets, end of period	\$ 5,529,188.83	\$ 5,529,188.83			

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**

STATEMENT OF FINANCIAL POSITION

*As of June 30, 2018*

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ASSETS

Current assets

Cash

\$ 134,234.42

Total current assets

134,234.42

Investments

49,799,040.36

Total assets

\$ 49,933,274.78

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable

\$ 219,364.52

Total current liabilities

219,412.92

Net assets

49,713,861.86

Total net assets and liabilities

\$ 49,933,274.78

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year to date ending June 30, 2018*

	2nd Qtr	YTD Ending 6/30/18	Approved Budget	Variance	Percentage of Budget
Revenues:					
Income					
Agricultural Tenants	\$ -	\$ -			
Sale of Assets	-	-			
Slag Pile	-	42,369.00			
Income Total	-	42,369.00			
Investment activity, net of fees	221,270.02	454,577.64			
Unrealized gains (losses)	89,308.51	(212,545.34)			
Total revenues (losses)	310,578.53	284,401.30			
Expenses:					
2.B · General Site Operations					
2.B.1 · Operations & Maintenance	4,309.35	12,898.80	\$ 59,900.00	\$ (47,001.20)	21.53%
2.B.2 · Office Operations	-	39.95	5,000.00	(4,960.05)	0.80%
2.B.3 · Safety	330.00	577.50	14,100.00	(13,522.50)	4.10%
2.B.6 · Emergency Response	-	-	20,000.00	(20,000.00)	0.00%
2.B.7 · Site Office	5,038.49	6,295.22	9,500.00	(3,204.78)	66.27%
Total 2.B · General Site Operations	9,677.84	19,811.47	108,500.00	(88,688.53)	18.26%
2.F · RCRA Compliance					
2.F.1 · Reporting	200.00	200.00	2,000.00	(1,800.00)	10.00%
2.F.2 · Inspections	-	-	2,000.00	(2,000.00)	0.00%
2.F.5 · CAMU O&M/Leachate Collection and Disposal	5,015.07	6,378.06	490,900.00	(484,521.94)	1.30%
2.F.7 · CAMU Leachate Design and Construction	-	-	226,700.00	(226,700.00)	0.00%
Total 2.F · RCRA Compliance	5,215.07	6,578.06	721,600.00	(715,021.94)	0.91%



**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year to date ending June 30, 2018*

	2nd Qtr	YTD Ending 6/30/18	Approved Budget	Variance	Percentage of Budget
2.J · RCRA Corrective Action Implementation					
2.J.1 · South Plant Hydraulic Control IM					
2.J.1a · SPHC IM Design	-	-	289,000.00	(289,000.00)	0.00%
2.J.1b · SPHC IM Construction	-	15,814.00	15,900.00	(86.00)	99.46%
2.J.1 · SPHC IM Design & Construction	-	15,814.00	304,900.00	(289,086.00)	5.19%
2.J.4 · IM/RCRA Support					
2.J.4b · Corrective Measures Study	9,238.60	37,403.67	84,000.00	(46,596.33)	44.53%
2.J.4 · IM/RCRA Support	9,238.60	37,403.67	84,000.00	(46,596.33)	44.53%
2.J.6 · Corrective Measure Implementation					
2.J.6a · CMI Work Plan	2,091.96	5,265.75	150,000.00	(144,734.25)	3.51%
2.J.6b · Final Remedy Construction/Implementation	-	-	220,000.00	(220,000.00)	0.00%
2.J.6c · Corrective Measures O&M	67,016.97	87,584.51	699,700.00	(612,115.49)	12.52%
2.J.6d · 2017 CAMP/Performance Monitoring	46,630.57	54,273.67	353,300.00	(299,026.33)	15.36%
2.J.6e · Long term Technical Planning/Support	-	-	50,000.00	(50,000.00)	0.00%
2.J.6f · Residential Well Abandonment	-	-	176,000.00	(176,000.00)	0.00%
2.J.6 · Design Management/Execution	115,739.50	147,123.93	1,649,000.00	(1,501,876.07)	8.92%
2.J.7 · Long-term Stewardship and O&M					
2.J.7a · Greenway Project	-	-	-	-	0.00%
2.J.7 · Long-term Stewardship and O&M	-	-	-	-	0.00%
Total 2.J · RCRA Corrective Action Implementation	124,978.10	200,341.60	2,037,900.00	(1,837,558.40)	9.83%
2.K · Documents & Records					
2.K.2 · System Maintenance	480.00	3,630.00	18,000.00	(14,370.00)	20.17%
Total 2.K · Documents & Records	480.00	3,630.00	18,000.00	(14,370.00)	20.17%
2.M · CERCLA Compliance	1,423.13	2,392.50	34,400.00	(32,007.50)	6.95%
2.N · Financial Affairs					
2.N.1 · Financial Affairs-CPA	7,747.02	13,179.84	30,000.00	(16,820.16)	43.93%
Total 2.N · Financial Affairs	7,747.02	13,179.84	30,000.00	(16,820.16)	43.93%

**Montana Environmental Custodial Trust**  
**East Helena Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year to date ending June 30, 2018*

	2nd Qtr	YTD Ending 6/30/18	Approved Budget	Variance	Percentage of Budget
2.O · Redevelopment					
2.O.2 · Redevelopment Support	-	-	10,000.00	(10,000.00)	0.00%
2.O.3 · Redevelopment Issues	-	-	5,000.00	(5,000.00)	0.00%
Total 2.O · Redevelopment	-	-	15,000.00	(15,000.00)	0.00%
2.P · Community Relations					
2.P.1 · General Meetings	-	-	3,000.00	(3,000.00)	0.00%
2.P.2 · RCRA Annual Public Meeting	132.50	132.50	3,000.00	(2,867.50)	4.42%
2.P.3 · East Helena Website	427.50	427.50	7,500.00	(7,072.50)	5.70%
2.P.5 · Other Community Relations	2,625.00	2,625.00	41,000.00	(38,375.00)	6.40%
Total 2.P · Community Relations	3,185.00	3,185.00	54,500.00	(51,315.00)	5.84%
2.R · Legal Support					
2.R.1 · Outside Counsel Fees & Expenses	323.00	1,598.50	15,000.00	(13,401.50)	10.66%
2.R.2 · In-House Legal Services	4,077.00	4,431.00	41,200.00	(36,769.00)	10.75%
Total 2.R · Legal Support Total	4,400.00	6,029.50	56,200.00	(50,170.50)	10.73%
2.T · Trustee Management & Support					
2.T.4 · GW and PPC Project Management	7,793.75	12,744.50	56,000.00	(43,255.50)	22.76%
2.T.6 · Compliance Manager	4,153.75	5,628.75	13,700.00	(8,071.25)	41.09%
2.T.7 · Operations Manager	2,093.50	3,930.25	41,100.00	(37,169.75)	9.56%
2.T.8 · Operations Support Specialist	2,262.50	5,368.75	27,000.00	(21,631.25)	19.88%
2.T.9 · Project Controls/Fin Affairs Coordinator	6,068.00	13,949.00	115,400.00	(101,451.00)	12.09%
2.T.11 · Trustee Mgmt. EH Clean Up	20,237.00	44,064.50	141,600.00	(97,535.50)	31.12%
2.T.12 · Trustee Land Use & Re-use	16,992.00	22,774.00	29,500.00	(6,726.00)	77.20%
2.T.13 · Trustee Travel and Directs	-	-	12,000.00	(12,000.00)	0.00%
2.T.14 · Project Management/LT Stewardship Oversight	9,932.00	14,277.25	76,400.00	(62,122.75)	18.69%
Total 2.T · Trustee Management & Support Total	69,532.50	122,737.00	512,700.00	(389,963.00)	23.94%
Total East Helena expenses	226,638.66	377,884.97	\$ 3,588,800.00	\$ (3,210,915.03)	10.53%
Change in net assets	83,939.87	(93,483.67)			
Net assets, beginning of period	49,629,921.99	49,807,345.53			
Net assets, end of period	\$ 49,713,861.86	\$ 49,713,861.86			

**Montana Environmental Custodial Trust**  
**Summary East Helena Clean-up Account**

SUMMARY STATEMENTS OF ACTIVITIES

*For the quarter and year to date ending June 30, 2018*

	2nd Qtr	YTD Ending 6/30/18	Approved Budget	Variance	Percentage of Budget
Revenues:					
Rental/Lease Income	\$ -	\$ 42,369.00			
Investment activity, net of fees	221,270.02	454,577.64			
Unrealized gains (losses)	89,308.51	(212,545.34)			
Total revenues (losses)	310,578.53	284,401.30			
Expenses:					
2.B · General Site Operations	9,677.84	19,811.47	108,500.00	(88,688.53)	18.26%
2.F · RCRA Compliance	5,215.07	6,578.06	721,600.00	(715,021.94)	0.91%
2.J · RCRA Corrective Action Implementation	124,978.10	200,341.60	2,037,900.00	(1,837,558.40)	9.83%
2.K · Documents & Records	480.00	3,630.00	18,000.00	(14,370.00)	20.17%
2.M · CERCLA Compliance	1,423.13	2,392.50	34,400.00	(32,007.50)	6.95%
2.N · Financial Affairs	7,747.02	13,179.84	30,000.00	(16,820.16)	43.93%
2.O · Redevelopment	-	-	15,000.00	(15,000.00)	0.00%
2.P · Community Relations	3,185.00	3,185.00	54,500.00	(51,315.00)	5.84%
2.R · Legal Support	4,400.00	6,029.50	56,200.00	(50,170.50)	10.73%
2.T · Trustee Management & Staff	69,532.50	122,737.00	512,700.00	(389,963.00)	23.94%
Total East Helena expenses	226,638.66	377,884.97	\$ 3,588,800.00	\$ (3,210,915.03)	10.53%
Change in net assets	83,939.87	(93,483.67)			
Net assets, beginning of period	49,629,921.99	49,807,345.53			
Net assets, end of period	\$ 49,713,861.86	\$ 49,713,861.86			

**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENT OF FINANCIAL POSITION

*As of June 30, 2018*

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ASSETS

Current assets

Cash	\$ 112,265.92
Prepaid expenses - DEQ	83,620.59
Total current assets	<u>195,886.51</u>

Investments

Total assets	<u>3,990,906.93</u> <u>\$ 4,186,793.44</u>
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LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 107,051.69
Due to other cost centers	40,787.67
Total current liabilities	<u>147,839.36</u>

Net assets

Total net assets and liabilities	<u>4,038,954.08</u> <u>\$ 4,186,793.44</u>
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**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year to date ending June 30, 2018*

	2nd Qtr	YTD Ending 6/30/18	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest income - DEQ	\$ 602.22	\$ 711.75			
Investment income, net of fees	17,200.42	32,636.87			
Unrealized gains (losses)	(6,713.11)	(33,306.46)			
Total revenues (losses)	11,089.53	42.16			
Expenses:					
4.1 MT DEQ Expenses					
4.A Personnel (MT DEQ)	5,247.59	10,140.99	\$ 31,783.00	\$ (21,642.01)	31.91%
4.DEQ Direct & Indirect Expenses	13,910.08	21,104.84	74,498.00	(53,393.16)	28.33%
4.1 Total MT DEQ Expenses	19,157.67	31,245.83	106,281.00	(75,035.17)	29.40%
4.2 Other Expenses					
4.B Material, Supplies & Chemicals					
1-62244 Chemicals	70,798.65	80,310.54	141,550.00	(61,239.46)	56.74%
WTP Supplies	17,387.66	31,674.48	56,900.00	(25,225.52)	55.67%
4.B Material, Supplies & Chemicals	88,186.31	111,985.02	198,450.00	(86,464.98)	56.43%
4.C Operating Labor					
1-62102-01 WTS/Trust Management and Oversight	16,728.25	35,945.00	72,500.00	(36,555.00)	49.58%
1-62102-02 GETG Trustee Oversight	6,940.00	10,439.50	17,000.00	(6,560.50)	61.41%
1-62102-22 WTP Technician/Operator	20,928.75	35,242.00	101,000.00	(65,758.00)	34.89%
4.C Operating Labor	44,597.00	81,626.50	190,500.00	(108,873.50)	42.85%
4.D Other Professional Services/Labor (Routine)					
1-62102-31 PLC & Instrumentation Service (MET)	3,238.00	4,817.50	28,250.00	(23,432.50)	17.05%
1-62891 Handyman Charges	1,721.46	1,721.46	7,500.00	(5,778.54)	22.95%
1-62102-51 Accounting Services (Wipfli)	818.66	1,590.54	5,000.00	(3,409.46)	31.81%
1-62243 Weed Control	-	-	1,200.00	(1,200.00)	0.00%
4.D Other Professional Services/Labor	5,778.12	8,129.50	41,950.00	(33,820.50)	19.38%
4.E WTP Operations - Analytical (Routine)					
1-62106-01 Energy Lab Testing (O&M Samples)	3,295.25	5,767.26	14,300.00	(8,532.74)	40.33%
1-62106-02 Linda Tangen Data Validation (O&M)	839.50	1,410.36	4,550.00	(3,139.64)	31.00%
1-62106-03 Energy Lab Testing (Additional Pilot/Chemistry Analysis)	-	-	5,400.00	(5,400.00)	0.00%
4.E WTP Operations - Analytical	4,134.75	7,177.62	24,250.00	(17,072.38)	29.60%

**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year to date ending June 30, 2018*

	2nd Qtr	YTD Ending 6/30/18	Approved Budget	Variance	Percentage of Budget
4.F WTP Operations - Utilities (Routine)					
1-62186 Waste Disposal	570.00	2,470.00	20,400.00	(17,930.00)	12.11%
1-62371 Telephone	769.71	1,411.07	6,200.00	(4,788.93)	22.76%
1-62601 Electricity	12,693.57	23,293.94	93,300.00	(70,006.06)	24.97%
1-62605 Water & Sewage	200.00	200.00	2,500.00	(2,300.00)	8.00%
1-62606 Garbage & Trash	370.30	800.60	1,800.00	(999.40)	44.48%
1-62607 Propane	-	299.58	21,200.00	(20,900.42)	1.41%
4.F WTP Operations - Utilities	14,603.58	28,475.19	145,400.00	(116,924.81)	19.58%
4.H Projects & Construction					
1-62102-01 · Unforeseen Breakdowns and Repair Response Funds	2,608.00	2,608.00	4,000.00	(1,392.00)	0.00%
1-62102-52 · Chemical Studies/Problems - Drake Water Technologies	-	-	30,000.00	(30,000.00)	0.00%
1-62102-204 Health & Safety Compliance	-	-	2,000.00	(2,000.00)	0.00%
1-63113-03 Spare Parts	4,844.58	4,844.58	83,000.00	(78,155.42)	5.84%
1-62102-233 · Building Repairs (Corrosion Damage)	-	-	4,500.00	(4,500.00)	0.00%
1-63113-304 - Mike Horse Remediation Coordination (WTS)	-	-	-	-	0.00%
1-63113-48 - Fabricate & install sheet metal enclosures on Cell 7 exposed	-	-	-	-	0.00%
1-63113-50 - Install wildlife fence around perimeter of Cell 7	-	-	-	-	0.00%
1-62102-50 · Advertise, Interview & Train Part-time WTP Operator	-	-	-	-	0.00%
1-63113-51 - Purchase larger high pressure washer (20Hp) and jetting	4,998.00	4,998.00	5,360.00	(362.00)	93.25%
1-63113-53 - Reconfigure 300' vault piping for conveyance line cleaning with "pigs" & install 3" flow meter on redundant line and contractor for conveyance line pigging	-	-	-	-	0.00%
1-63113-54 - Install Equipment and Programming for WTP Emergency Shutdown	4,002.87	4,002.87	11,000.00	(6,997.13)	36.39%
1-63113-56 - Install Equipment and Programming for WTP Seasonal Shutdown	-	-	-	-	0.00%
1-63113-57 - Clarifier pilot test	(200.00)	19,139.42	20,000.00	(860.58)	95.70%
1-63113-58 - Purchase and install cartridge filters	15,360.41	18,769.82	20,000.00	(1,230.18)	93.85%
1-63113-59 - Design & fabricate sludge dredge	2,068.87	2,068.87	20,000.00	(17,931.13)	10.34%
1-63113-60 - Purchase miter saw & stand	-	898.20	900.00	(1.80)	99.80%
1-63113-61 - Purchase replacement Feed & CIPN pumps	8,591.77	10,348.18	10,400.00	(51.82)	99.50%
1-63113-62 - DWT BFBF Pilot Test	-	18,000.00	20,000.00	(2,000.00)	90.00%
1-63113-63 - DWT BFBF Full Scale Construction	-	-	-	-	0.00%
4.H Projects & Construction	42,274.50	85,677.94	231,160.00	(145,482.06)	37.06%

**Montana Environmental Custodial Trust**  
**Mike Horse/UBMC Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year to date ending June 30, 2018*

	2nd Qtr	YTD Ending 6/30/18	Approved Budget	Variance	Percentage of Budget
4.2 Total Other Expenses	199,574.26	323,071.77	831,710.00	(508,638.23)	38.84%
Total expenses	218,731.93	354,317.60	937,991.00	(583,673.40)	37.77%
Change in net assets	(207,642.40)	(354,275.44)	<u>\$ (937,991.00)</u>	<u>\$ 583,673.40</u>	<u>37.77%</u>
Net assets, beginning of period	4,246,596.48	4,393,229.52	(1)		
Net assets, end of period	<u>\$ 4,038,954.08</u>	<u>\$ 4,038,954.08</u>			

(1) Beginning net assets restated by \$41,891.00 for MDEQ expenses incurred in 2017, but invoice received after distribution of 2017 financial statements.

# Montana Environmental Custodial Trust

## Black Pine Clean-up Account

### STATEMENT OF FINANCIAL POSITION

*As of June 30, 2018*

ASSETS	
Current assets	
Cash	\$ 3,141.07
Money Market	36,114.71
Prepaid expenses - DEQ	<u>121,792.45</u>
Total current assets	161,048.23
Investments	<u>11,143,707.01</u>
Total assets	<u><u>\$ 11,304,755.24</u></u>
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable	\$ <u>1,650.00</u>
Total current liabilities	1,650.00
Net assets	<u>11,303,105.24</u>
Total net assets and liabilities	<u><u>\$ 11,304,755.24</u></u>



**Montana Environmental Custodial Trust**  
**Black Pine Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year to date ending June 30, 2018*

	2nd Qtr	YTD Ending 6/30/18	Approved Budget	Variance	Percentage of Budget
<b>Revenues:</b>					
Interest Income - DEQ	\$ 3,001.00	\$ 4,468.39			
Cost Recovery - DEQ	-	4,361.36			
Interest Income - MM	32.19	59.16			
Investment income, net of fees	49,688.13	95,699.28			
Unrealized gains (losses)	(20,585.78)	(103,079.54)			
Total revenues (losses)	32,135.54	1,508.65			
<b>Expenses:</b>					
5.1 Costs Paid Directly by Trustee from Clean-up Account					
2-2-01 Trustee Services/Expenses-Cox	-	19.75	\$ 1,000.00	\$ (980.25)	1.98%
2-2-02 Trustee Services/Expenses-GETG	111.00	244.00	5,000.00	(4,756.00)	4.88%
2-2-03 Mine Maintenance/Security	4,231.50	8,463.00	16,926.00	(8,463.00)	50.00%
2-2-04 Generator Maintenance	-	-	4,000.00	(4,000.00)	0.00%
2-2-51 Accounting Services	454.82	840.76	5,000.00	(4,159.24)	16.82%
2-62401 Mileage	336.54	786.17	2,266.65	(1,480.48)	34.68%
2-62405 Snowmobile	210.00	735.00	907.50	(172.50)	80.99%
5.1.1 Utilities					
2-62601 Electricity	3,485.86	3,525.46	6,500.00	(2,974.54)	54.24%
2-62607 Propane	-	-	2,840.00	(2,840.00)	0.00%
5.1.1 Utilities Total	3,485.86	3,525.46	9,340.00	(5,814.54)	37.75%
5.1 Trustee Costs Total	8,829.72	14,614.14	44,440.15	(29,826.01)	32.88%
5.2 DEQ Costs	356,783.40	766,898.96 <sup>(1)</sup>	1,421,171.62	(654,272.66)	53.96%
Total expenses	365,613.12	781,513.10	1,465,611.77	(684,098.67)	53.32%
Change in net assets	(333,477.58)	(780,004.45)	<u>\$ (1,465,611.77)</u>	<u>\$ 684,098.67</u>	<u>53.22%</u>
Net assets, beginning of period	11,636,582.82	12,083,109.69			
Net assets, end of period	<u>\$ 11,303,105.24</u>	<u>\$ 11,303,105.24</u>			

(1) See the supplemental schedule provided by the Montana Department of Environmental Quality for details of 5.2 DEQ Costs

## Black Pine Mine Custodial Trust Expense Tracking

	Personnel	Fringe	Travel	Equipment	Supplies	Consultants	Construction	Other	Total Direct	Indirect	Totals
<b>Budget Request 2018</b>	\$ 44,362.00	\$ 17,745.00	\$ 3,552.00	\$ -	\$ -	\$ 267,480.00	\$ 1,051,207.00	\$ 10,925.00	\$ 1,395,271.00	\$ 25,901.00	\$ 1,421,172.00
<b>Additional Funding Received January 2018</b>											
Jan-Mar 2018	\$ 9,003.98	\$ 1,848.61				\$ 42,807.99	\$ 348,133.55	\$ 3,546.44	\$ 405,340.57	\$ 4,774.99	\$ 410,115.56
Apr-Jun 2018	\$ 15,462.82	\$ 5,831.30	\$ 18.00			\$ 77,211.76	\$ 236,651.03	\$ 5,766.17	\$ 340,941.08	\$ 15,842.32	\$ 356,783.40
July-Sep 2018									\$ -		\$ -
Oct-Dec 2018									\$ -		\$ -
<b>Expenses 2018</b>	\$ 24,466.80	\$ 7,679.91	\$ 18.00	\$ -	\$ -	\$ 120,019.75	\$ 584,784.58	\$ 9,312.61	\$ 746,281.65	\$ 20,617.31	\$ 766,898.96
<b>2018 Budget request balance remaining</b>	\$ 19,895.20	\$ 10,065.09	\$ 3,534.00	\$ -	\$ -	\$ 147,460.25	\$ 466,422.42	\$ 1,612.39	\$ 648,989.35	\$ 5,283.69	\$ 654,273.04

**Montana Environmental Custodial Trust**  
**Iron Mountain Clean-up Account**

STATEMENT OF FINANCIAL POSITION

*As of June 30, 2018*

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ASSETS	
Current assets	
Cash	\$ 1,643.52
Total current assets	<u>1,643.52</u>
Investments	<u>264,504.99</u>
Total assets	<u><u>\$ 266,148.51</u></u>
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable	<u>\$ 59.00</u>
Net assets	<u>266,089.51</u>
Total net assets and liabilities	<u><u>\$ 266,148.51</u></u>

**Montana Environmental Custodial Trust**  
**Iron Mountain Clean-up Account**

STATEMENTS OF ACTIVITIES

*For the quarter and year to date ending June 30, 2018*

	2nd Qtr	YTD Ending 6/30/18	Approved Budget	Variance	Percentage of Budget
Revenues:					
Interest Income - DEQ	\$ -	\$ -			
Investment income, net of fees	1,082.10	1,964.05			
Unrealized gains (losses)	(29.00)	(17.50)			
Total revenues (losses)	1,053.10	1,946.55			
Expenses:					
VI.A Clean-up Activities					
VI.A.1 GETG Trustee Fees	-	-	\$ 3,800.00	\$ (3,800.00)	0.00%
VI.A.2 GETG/Trustee Expenses	59.00	59.00	250.00	(191.00)	23.60%
VI.A Total Clean-up Activities	59.00	59.00	4,050.00	(3,991.00)	1.46%
VI.C Legal Affairs					
VI.C.1 Outside Counsel	-	-	1,000.00	(1,000.00)	0.00%
VI.C Total Legal Affairs	-	-	1,000.00	(1,000.00)	0.00%
VI.D Financial Affairs					
VI.D.1 Wipfli Fees & Expenses	-	-	900.00	(900.00)	0.00%
VI.D Total Financial Affairs	-	-	900.00	(900.00)	0.00%
VI.E MDEQ Environmental Actions and Oversight Costs					
VI.E.1 MDEQ Environmental Actions and Oversight Costs	-	22.16	23.00	(0.84)	96.35%
VI.E Total MDEQ Environmental Actions and Oversight Costs	-	22.16	23.00	(0.84)	96.35%
Total expenses	59.00	81.16	5,973.00	(5,891.84)	1.36%
Change in net assets	994.10	1,865.39	\$ (5,973.00)	\$ 5,891.84	-31.23%
Net assets, beginning of period	265,095.41	264,224.12			
Net assets, end of period	\$ 266,089.51	\$ 266,089.51			